17th March 1953]

Grant of loan to the Sudarsan Oil Mills, Limited, Katpadi.

*51 Q.—SRI B. RAMAKRISHNA REDDI: Will the Hon. the Minister for Industries and Labour be pleased to state—

(*a*) what was the actual amount that was granted to Sudarsan Oil Mills of Katpadi;

(*b*) in how many instalments the amount is to be recovered;

(*c*) when was the loan disbursed and what is the amount that has been recovered till now; and

(*d*) who are the directors and what was the security that was taken?

THE HON. DR. U. KRISHNA RAO:—" (*a*) Messrs. The Sudarsan Oil Mills, Limited, Katpadi, were granted a loan of Rs. 10 lakhs under the provisions of the Madras State Aid to Industries Act.

" (*b*) The loan amount is recoverable in 20 annual instalments.

" (*c*) The loan amount was fully disbursed in five instalments of Rs. 2 lakhs each in 1948 and 1949 and no amount has so far been recovered from the company except a sum of Rs. 1,21,425 remitted by the company into the Government treasury from the unauthorized sale-proceeds of the assets hypothecated to Government.

" (*d*) The following are the Directors of the company:—

(1) Sri P. Subbarami Reddi.

(2) Sri C. V. Narasa Reddi.

(3) Sri B. Rangaswami Reddi.

(4) Sri B. Rama Reddi.

(5) Sri N. Kothandarami Reddi.

(6) Sri T. N. Krishna Reddi.

(7) Sri T. Audinarayana Reddi.

Lands, buildings, machinery and other equipment to a value of about Rs. 30 lakhs were taken as security."

SRI B. RAMAKRISHNA REDDI:—" గత అయిదు సంవత్సరముల నుండి వాయిదా మొత్తం కలెక్టు చేయకుండా జాప్యము చేస్తున్నారు?"

THE HON. DR. U. KRISHNA RAO:—" Sir, the first instalment ought to have been repaid on 1st June 1950 and subsequent instalments on the 1st of June every following year. On a request made by the company, the company was granted an extension of time till 1st June 1951 for the repayment of the first instalment of the loan. The company applied for a further extension of time for the repayment of the first instalment of the loan till 1st June 1952. In the meanwhile the Director of Industries and Commerce reported that the company sold away, without the prior approval of Government, six items of machinery hypothecated to Government against the State loan for a sum of Rs. 1,21,425 and remitted the

amount into the Government account towards the interest due on the loan. The Director of Industries proposed that this amount might be utilized towards the reduction of the principal amount of the loan and that a fresh loan of Rs. 8,78,575 might be considered to have been granted to the company on 6th March 1952. I therefore submit that the Government have been making every attempt to collect with reasonable quickness the loan granted to the company.''

Sri T. LAKSHMINARAYANA REDDI :—'' ఈ కంపెనీకి అప్పును sanction చేసిన సమయంలో ఇతర కంపెనీలవారెవరైన అప్పులకు దరఖాస్తుచేశారా? వారికికూడ ఇదేవిధంగా అప్పులు ఇచ్చారా? లేక నిరాకరించారా ?''

The Hon. Dr. U. KRISHNA RAO :—'' I require notice, Sir.''

Sri P. RANGASWAMY REDDIAR :—'' What is the nature of the security, Sir? Is it a limited company, or a partnership or a private family concern? ''

The Hon. Dr. U. KRISHNA RAO :—'' As I said, lands, buildings and machinery to the value of Rs. 30 lakhs have been taken as security.''

Sri S. DEIVASIGAMANY :—'' In view of the fact that the company failed to pay the instalment towards the loan and in view of the fact that the company had sold away some machinery, do the Government contemplate attaching the properties of the company for recovering the loan granted to the company? ''

The Hon. Dr. U. KRISHNA RAO :—'' Yes, Sir, Government have issued orders already to the Director of Industries for the foreclosure of the mortgage executed by the company in favour of the Government and for the institution of recovery proceedings as provided under section 18 (1) of the Madras State Aid to Industries Act.''

Sri G. ANJANEYULU :—'' అసలు ఈ factory పనిచేస్తున్నదా ? ఇప్పుడు ఏ పరిస్థితులలో ఉన్నది ? ''

The Hon. Dr. U. KRISHNA RAO :—'' It is not working, Sir.''

Sri K. VINAYAKAM :—'' Since this subject has been the scandal of the last Ministry, will the present Government consider the feasibility of taking immediate action in attaching the private properties of the Directors of the Company which is otherwise known as 'Reddi and Company'? ''

The Hon. Dr. U. KRISHNA RAO :—'' I am not aware of the allegation contained in the first half of the question put by the hon. Member. As for the second part of the question Government are doing their very best to recover the arrears.''

Sri PILLALAMARRI VENKATESWARLU :—'' ఇన్ని సంవత్సరములుగా ఈ factory పనిచేయకుండా ఉండినప్పటికి ప్రభుత్వంవారు వివిధమైన చర్య తీసుకొనలేదు. ఇప్పుడైనా ప్రభుత్వంవారు దీనిని స్వాధీనం చేసుకొని దానిని నడుపుటకు ప్రయత్నిస్తారా ? ''

THE HON. DR. U. KRISHNA RAO :—" Sir, what we can do at the present moment is to institute recovery proceedings. After the proceedings are completed and when the question of running the company is taken up, then only will be the time to consider whether the Government are going to run it, or anybody else is going to run it or whether the present management itself who might come forward should be allowed to run it."

SRI PILLALAMARRI VENKATESWARLU :—" ఈ private company నిర్వహణక్రింద factory పనిచేయుట లేదని, machinery ని కూడా అమ్మట జరిగినదని మంత్రిగారు తెలియజేశారు. ఇప్పుడైన ప్రభుత్వంవారు ఈ factory ని స్వాధీనము చేసుకొని నడుపుటకు ఆలోచిస్తున్నారా?"

THE HON. DR. U. KRISHNA RAO :—" Sir, certain formalities of law have got to be observed. When the time comes for the Government to consider whether they should take over the concern, Government would come to a decision. I submit at the present moment it is too early to come to any decision."

SRI V. BALAKRISHNAN :—" Sir, is it a fact that the loan was sanctioned long before the machinery arrived from abroad? "

THE HON. DR. U. KRISHNA RAO :—" I require notice, Sir."

SRI PILLALAMARRI VENKATESWARLU :—" ఇప్పుడు time చాలా తక్కువ అని చెబుతున్నారు. 1949 లో loan ఇచ్చారు. ఇది 1952. ఇప్పటికప్పుడే మూడు సంవత్సరములైనది. ఇంతవరకు factory పనిచేయలేదు. పైగా మెషినరీనికూడా అక్రమంగా కంపెనీవారు అమ్మివేస్తున్నారు. ఈ పరిస్థితులలో ప్రభుత్వంవారు వెంటనే factory ని స్వాధీనంచేసుకొని దానిని నడిపి ఆ ప్రాంతంలోని కార్మికులకు పని కల్పిస్తారా అని తిరిగి ప్రశ్నిస్తున్నాను?"

THE HON. DR. U. KRISHNA RAO :—" I am afraid, the hon. Member has not understood me. The Government are aware of the fact that machinery was sold without Government's permission. It is therefore that the Government have ordered the Director of Industries to institute proceedings for the foreclosure of the loan and for bringing the whole institution before the Court of law. Only after that, Government can decide whether they can take the responsibility for running the institution or hand it over to somebody else. I once again submit that the present is not the time for that but some time later when the matter comes up before the Court either for sale or for auction."

Income derived by sale of fish from Kandooth Tank.

* 52 Q.—SRI K. P. GOPALAN : Will the Hon. the Minister for Agriculture be pleased to state the income derived by the Government last year by the sale of fish from the fish growing tank Kandooth, Payyanur, North Malabar, run by the Government?